

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
KINETIC INVESTMENT GROUP, LLC and)
MICHAEL SCOTT WILLIAMS,)
)
Defendants, and)
)
KINETIC FUNDS I, LLC,)
KCL SERVICES, LLC d/b/a LENDACY,)
SCIPIO, LLC,)
LF42, LLC,)
EL MORRO FINANCIAL GROUP, LLC, and)
KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,)
)
Relief Defendants.)
_____)

PLAINTIFF’S UNOPPOSED MOTION FOR ENTRY OF FINAL JUDGMENT
AGAINST DEFENDANT KINETIC INVESTMENT GROUP, LLC
AND RELIEF DEFENDANTS

Plaintiff Securities and Exchange Commission moves for entry of a Final Judgment against Defendant Kinetic Investment Group, LLC (“Defendant”) and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio LLC, LF42, LLC, El Morro Financial Group, LLC and KIH, Inc. f/k/a Kinetic International, LLC (collectively “Relief Defendants”) and states:

1. On March 6, 2020, upon the Commission's motion, the Court appointed a Receiver over Defendant and Relief Defendants. DE 34.

2. On November 5, 2020, the Court entered a Judgment, by consent, which imposed permanent injunction relief against Defendant, but left pending the issues of whether it is appropriate to order disgorgement against Defendant and Relief Defendants and a civil penalty against Defendant. DE 151.

3. By the attached Consent (Exhibit 1), the Court-appointed Receiver has consented to entry of the attached proposed Final Judgment (Exhibit 2) on behalf on the Defendant and Relief Defendants which, among other things, expressly incorporates the injunctive relief already entered by the Court, imposes disgorgement and prejudgment interest against the Defendant and Relief Defendants and deems these amounts satisfied by the amounts collected by the Receiver in this matter.

4. As to the Commission's claim against Defendant for a civil penalty, the Commission has determined to forgo this claim. Thus, with the entry of the consented to Final Judgment, the Commission's case against Defendant and Relief Defendants would be resolved.

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), undersigned counsel represents that the Commission conferred with counsel for the Receiver, who does not oppose this motion.

January 12, 2026

Respectfully submitted,

By: /s/ Christine Nestor

Christine Nestor

Senior Trial Counsel

Fla. Bar No. 597211

Direct Dial: (305) 982-6367

E-mail: nestorc@sec.gov

Attorney for Plaintiff

Securities and Exchange Commission

801 Brickell Avenue, Suite 1950

Miami, FL 33131

Facsimile: (305) 536-4154

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 12, 2026, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Christine Nestor

Christine Nestor

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Counsel for Receiver, Mark A. Kornfeld

EXHIBIT 1

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE COMMISSION,)
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Plaintiff,)
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KINETIC INVESTMENT GROUP, LLC and)
MICHAEL SCOTT WILLIAMS,)
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Defendants, and)
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KINETIC FUNDS I, LLC,)
KCL SERVICES, LLC d/b/a LENDACY,)
SCIPIO, LLC,)
LF42, LLC,)
EL MORRO FINANCIAL GROUP, LLC, and)
KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,)
)
Relief Defendants.)
_____)

CONSENT OF DEFENDANT KINETIC INVESTMENT GROUP, LLC, AND
RELIEF DEFENDANTS KINETIC FUNDS I, LLC, KCL SERVICES, LLC d/b/a
LENDACY, SCIPIO, LLC, LF42, LLC, EL MORRO FINANCIAL GROUP, LLC,
AND KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC
TO ENTRY OF FINAL JUDGMENT

1. Mark A. Kornfeld, solely in his capacity as Court-appointed Receiver for Defendant Kinetic Investment Group, LLC (“Defendant”) and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF42, LLC, El Morro Financial Group, LLC, and KIH, Inc. f/k/a Kinetic International, LLC (collectively “Relief Defendants”), acknowledges having been

served with the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over Defendant and Relief Defendants and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant and Relief Defendants admit), Defendant and Relief Defendants hereby consent to the entry of the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference herein, which, among other things:

a. incorporates the Judgment previously entered by the Court on November 5, 2020 [DE 156]; and

b. orders Defendant and Relief Defendants liable for disgorgement and prejudgment interest in the amounts set forth below, and deems these amounts satisfied by the amounts collected by the Receiver in this matter:

- i. As to Kinetic Investment Group, LLC, \$3,800,000 together with prejudgment interest thereon of \$152,121.51.
- ii. As to Kinetic Funds I, LLC, \$15,997,565.76 together with prejudgment interest thereon of \$640,414.18.
- iii. As to KCL Services, LLC, \$12,900,000 together with prejudgment interest thereon of \$516,412.49.
- iv. As to Scipio, LLC, \$2,750,000 together with prejudgment interest

thereon of \$110,087.93.

- v. As to LF42, LLC, \$958,336.42 together with prejudgment interest thereon of \$38,364.10.
- vi. As to El Morro Financial Group, LLC, \$963,852.00 together with prejudgment interest thereon of \$38,584.90.
- vii. As to KIH, Inc., \$550,000 together with prejudgment interest thereon of \$22,017.58.

3. Defendant and Relief Defendants waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

4. Defendant and Relief Defendants waive the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

5. Defendant and Relief Defendants enter into this Consent voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant and Relief Defendants to enter into this Consent.

6. Defendant and Relief Defendants agree that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

7. Defendant and Relief Defendants will not oppose the enforcement of

the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waive any objection based thereon.

8. Defendant and Relief Defendants waive service of the Final Judgment and agree that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant and Relief Defendants of its terms and conditions. Defendant and Relief Defendants further agree to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant and Relief Defendants have received and read a copy of the Final Judgment.

9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant and Relief Defendants in this civil proceeding. Defendant and Relief Defendants acknowledge that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant and Relief Defendants waive any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences

under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

10. Defendant and Relief Defendants understand and agree to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's and Relief Defendants' agreement to comply with the terms of Section 202.5(e), Defendant and Relief Defendants: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not

make or permit to be made any public statement to the effect that Defendant and Relief Defendants do not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant and Relief Defendants do not deny the allegations; and (iii) upon the filing of this Consent, Defendant and Relief Defendants hereby withdraw any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant or Relief Defendants breach this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's or Relief Defendants': (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

11. Defendant and Relief Defendants hereby waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant or Relief Defendants to defend against this action. For these purposes, Defendant and Relief Defendants agree that Defendant and Relief Defendants are not the prevailing party in this action since the parties have

reached a good faith settlement.

12. Defendant and Relief Defendants agree that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

13. Defendant and Relief Defendants agree that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

I, Mark A. Kornfeld, solely in my capacity as Court-appointed Receiver for Defendant Kinetic Investment Group, LLC and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF42, LLC, El Morro Financial Group, LLC, and KIH, Inc. f/k/a Kinetic International, LLC, hereby consent to the Court's entry of Final Judgment.

Dated: September 3, 2025

By: Mark A. Kornfeld

STATE OF FLORIDA)
) ss:
COUNTY OF HILLSBOROUGH)

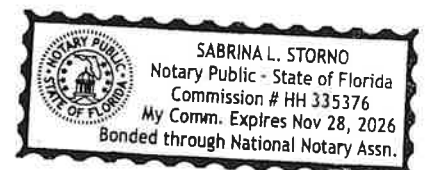
On this 3rd day of September, 2025, before me personally appeared Mark Kornfeld, a person known to me, who executed this Consent and acknowledged to me that he executed the same.

Sandra L. Storm

Notary Public

Commission expires:

Approved as to form:





Lauren V. Humphries, Esq.
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Tampa, FL 33602
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Email: lauren.humphries@bipc.com
Counsel for Receiver, Mark A. Kornfeld

EXHIBIT 2

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE COMMISSION,)
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KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,)
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Relief Defendants.)
_____)

FINAL JUDGMENT AS TO DEFENDANT KINETIC INVESTMENT GROUP, LLC, AND RELIEF DEFENDANTS KINETIC FUNDS I, LLC, KCL SERVICES, LLC d/b/a LENDACY, SCIPIO, LLC, LF42, LLC, EL MORRO FINANCIAL GROUP, LLC, AND KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC

The Securities and Exchange Commission having filed a Complaint and Defendant Kinetic Investment Group, LLC (“Defendant”) and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF42, LLC, El Morro Financial Group, LLC, and KIH, Inc. f/k/a Kinetic International, LLC (collectively “Relief Defendants”) having entered a general appearance; consented

to the Court's jurisdiction over Defendant and Relief Defendants and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

INCORPORATION OF JUDGMENT

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Court's Order as to Defendant and Relief Defendants entered on November 5, 2020 [DE 156] is hereby adopted and incorporated by reference with the same force and effect as if fully set forth herein, and that Defendant and Relief Defendants shall comply with all undertakings and agreements set forth therein.

II.

DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Defendant and Relief Defendants are liable to the Commission for disgorgement, representing net profits gained as a result of the conduct alleged in the Complaint, and prejudgment interest thereon, as follows:

- i. As to Kinetic Investment Group, LLC, \$3,800,000 together with prejudgment interest thereon of \$152,121.51.

- ii. As to Kinetic Funds I, LLC, \$15,997,565.76 together with
prejudgment interest thereon of \$640,414.18.
- iii. As to KCL Services, LLC, \$12,900,000 together with prejudgment
interest thereon of \$516,412.49.
- iv. As to Scipio, LLC, \$2,750,000 together with prejudgment interest
thereon of \$110,087.93.
- v. As to LF42, LLC, \$958,336.42 together with prejudgment interest
thereon of \$38,364.10.
- vi. As to El Morro Financial Group, LLC, \$963,852.00 together with
prejudgment interest thereon of \$38,584.90.
- vii. As to KIH, Inc., \$550,000 together with prejudgment interest
thereon of \$22,017.58.

Disgorgement and prejudgment interest thereon against the Defendant and Relief
Defendants identified herein are deemed satisfied by the amounts collected by the
Receiver in this matter.

III.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
Consent is incorporated herein with the same force and effect as if fully set forth
herein, and that Defendant and Relief Defendants shall comply with all of the

undertakings and agreements set forth therein.

IV.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

V.

RULE 54(b) CERTIFICATION

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

DONE AND ORDERED in Chambers in Tampa, Florida, this _____ day of _____, 2026.

UNITED STATES DISTRICT JUDGE